GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3527
ANSWERED ON:26.04.2012
SHARE IN PROFIT OF ONGC
Choudhary Shri Harish;Vasava Shri Mansukhbhai D.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Union Government has considered to give share to the State Governments in the profit made by the Oil and Natural Gas Corporation (ONGC) from the production of natural gas;

(b) if so, the details thereof;

(c) if not, the reasons therefor and the reaction of the Government thereto; and

(d) the corrective measures taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. Singh)

(a) and (b): Royalty is being paid by Oil & Natural Gas Corporation Limited (ONGC) in terms of provisions of Oilfields (Regulation and Development) Act, 1948 (ORDA), Petroleum & Natural Gas (PNG) Rules 1959 and Petroleum & Natural Gas (Amendment) Rules, 2003. Royalty r>is paid to Central Government in respect of natural gas produced from offshore fields whereas royalty is paid to State Governments in respect of natural gas produced from onshore fields. Royalty is presently paid at 10% of price of Natural Gas.

In addition, Value Added Tax (VAT)/Central Sales Tax (CST) is also being paid by ONGC to respective State Governments on natural gas sales. The state-wise contribution to exchequer made by ONGC on natural Gas from 2006-07 to 2010-11 is given in Annexure-I.

(c) & (d): Do not arise in view of (a) & (b) above.